



**CITIZENS BOND REVIEW COMMISSION  
HUMAN RESOURCES BUILDING, PINNACLE ROOM  
7575 E. MAIN STREET  
SCOTTSDALE, ARIZONA 85251  
THURSDAY, MARCH 6, 2003**

**SPECIAL MEETING MINUTES**

**PRESENT:** Steven Sagert, Chairman  
James Britt, Vice Chairman  
Larry Beckner  
Monyette Dunlap-Green  
Thomas Lanin  
William Magoon  
Gregg Maxon  
Lisa Samuel  
Sue Sisley  
Lee Tannenbaum  
William Welch  
Sam West

**ABSENT:** Eric Schechter

**STAFF:** Craig Clifford, Financial Services  
Roger Klingler, Assistant City Manager  
Al Dreska, Municipal Services Department  
Art Rullo, Budget Division  
Jeff Nichols, Budget Division  
Ed Gawf, Deputy City Manager  
Bill Exham, Community Services  
John Little, Transportation Department  
Tim Conner, Planning and Development Services  
Dan VandenHam, Planning and Development Services

Don Penfield, Community Services Department  
Marc Eisen, Scottsdale Police Department  
Chief Rodbell, Acting Chief of Police  
Don Hadder, Planning and Development Services  
Michelle Korf, Transportation Department  
Bill Chamberlain, Citizens' Budget Review Committee  
Bill Erickson, Stormwater Management  
Bill Hicks, Snell & Wilmer

## **CALL TO ORDER**

Chairman Sagert called the special meeting of the Scottsdale Citizens Bond Review Commission to order at 5:05p.m. The presence of a quorum was noted.

## **MINUTES APPROVAL**

Chair Sagart noted that the time for tonight's meeting had been incorrectly stated as 6:00 p.m. instead of 5:00 p.m. in the January minutes. On motion made by Commissioner Lanin and seconded by Commissioner West, the minutes of the January 9, 2003, meeting were approved as corrected. The motion passed unanimously.

## **NEW BUSINESS**

### **A. INTRODUCTION – ROGER KLINGLER, ASSISTANT CITY MANAGER**

Mr. Klingler provided the Commission with a brief overview on the Fiscal Year 2003/04 Bond 2000 Program. He noted that presentation of the Bond Program to the Commission before presentation to City Council was the normal sequence of events. He added that staff was coming to the Commission a little earlier this year due to the number of proposed changes to be implemented.

Mr. Klingler explained that some projects had been accelerated, some delayed, and funding had been increased, decreased or funding sources changed. He referred to the Bond Issuance Tax Rate Schedule and pointed out that the total bond issuance remains the same and that the use of bond funds as approved by the voters was being executed. Mr. Klingler went on to explain that the changes had become necessary due to the economy, the City's fiscal situation, and the impact of operating expenses after a capital project is built. He reiterated that the bond issuance categories and total amount remain

the same. He also noted that City staff representing all of the projects was present to answer Commissioners' questions.

**B. FINANCIAL FORECAST 5-YEAR PLAN - CRAIG CLIFFORD,  
FINANCIAL SERVICES GENERAL MANAGER**

Mr. Clifford provided a brief overview to the Commission concerning the financial forecast for the proposed 5-Year Plan. He reaffirmed the need to focus on operating expenses, as the City was experiencing decreased or flat revenue growth, thus dramatically affecting its ability to absorb operating costs. Mr. Clifford also stated that staff was looking at cash flow as another element in assessing how best to implement the necessary changes. He went on to explain the implications of population changes, the bond market, changes in assessed values that impact property taxes, debt implications for the City, operating impacts, timing issues with other projects, and public acceptance.

Mr. Clifford referred to the Five Year Plan and asked the Commissioners to focus on fiscal year 2003/2004, noting that the remaining years are presented for planning purposes and will shift every year. He stated that the plan is reviewed annually. He also stated that timing changes were being made to take advantage of a favorable bond market and cash flow issues. He pointed out the property tax rate and noted that it is well below the self-imposed cap of \$1.50 per \$100 of valuation.

In response to a question by Chair Sagart regarding the .2% pay-as-you-go sales tax, Mr. Clifford explained that the two-tenths of one percent is dedicated to preservation and another two-tenths to transportation. He stated that these revenues help fund many projects in the Capital Program. He explained that those funds are paying cash or pay-as-you-go. At the same time, the City is trying to issue general obligation debt, which is paid for through property tax, both of which make up the multiple funding sources for the total capital program. With decreasing tax revenues, funds from the .2% tax are down and account for some of the proposed project modifications.

Mr. Clifford referred to a question that had come up at the last meeting relative to the language as stated in the ballot proposition. He read:

"The City may make any changes which it deems necessary or appropriate in the interests of the residents of the City. The 2000 election set forth only the customary general description of the types of projects to be financed with the bonds requested to be authorized by

each question under the proposition and did not identify specific projects. The publicity pamphlet provided did give more specific descriptions of projects to be financed, if the bonds were authorized, with the exception of question 5. Those descriptions were inclusive lists of the improvements that could be financed with bond proceeds rather than exhaustive descriptions of projects that must be financed. In addition, a list distributed in connection with the election specifically stated that the City would have the ability to make changes from time to time in nature, location, or sequencing of projects contemplated."

Commissioner Welch referred to the opinion from Snell & Wilmer regarding the publicity pamphlet and stated that in his opinion, the City had a moral obligation to use the word "may include" in the pamphlet when referring to projects instead of "will include." He added that the public was given distorted information with the existing wording.

Mr. Klingler commented that the majority of the projects were still in the proposal, but explained that projects already completed did not require the expenditure of additional funds.

#### **C. REVIEW PROPOSED PROJECT CHANGES.**

1. Review proposed timing modifications/decreases and increases in funding/name and location Changes/Combining Of Projects and Project Deletions Related To Question 1 Library And Park Improvement Bonds.

Mr. Clifford explained that all of the projects referred to in question 1 had significant operating impacts, and thus was requesting postponement of the Arabian Library Phase 2, DC Ranch Community Park, and the Greyhawk Community Center projects to a future date. He noted that the recommendation was to combine the Bikeways Program and Multiuse Path to better facilitate completion of the project. The Civic Center Mall Expansion is proposed to be used for park improvements and open space enhancements to the downtown area, pursuant to election results. Delay of the Civic Center Senior Center replacement has been proposed to better match the construction schedule.

**Vice Chair Britt moved to recommend to City Council to approve including these modifications of projects in the 2003/2004-budget adoption. The motion was seconded by**

**Commissioner Samuel and passed unanimously by a vote of 12-0.**

2. Review Proposed Timing Modifications/Deletions And Additions Of Projects Related To Question 2 Neighborhood Flood Control Bonds.

Mr. Clifford stated that the 64<sup>th</sup> Street Corridor Drainage Improvement was the one project that staff suggested deleting. He pointed out the decreased discharges from the Kierland development had been noted and that staff was recommending that these bonds be reallocated to address two other neighborhood flood control projects: McDonald Drive, and Upper Camelback Wash Watershed Project. Earll Drive/ Thomas Road corridor had been proposed for delay for one year for some design concepts processes, and that the Floodplain Acquisition Program had been accelerated. He also noted that the Jackrabbit/Chaparral-West Drainage Improvement would be delayed three years to accommodate some construction sequencing. Mr. Dreska clarified that there were major storm drainage and water transmission main construction implications dictating the delay.

**Vice Chair Britt moved to recommend to City Council to approve including these modifications of projects in the 2003/2004-budget adoption. The motion was seconded by Commissioner Samuel and passed unanimously by a vote of 12-0.**

3. Review Proposed Timing Modifications Of The Project Related To Question 3 Scenic Corridor Preservation, Restoration And Enhancement Bonds.

Mr. Clifford noted that the design phase is underway, but that due to the extensive nature of the activity, the construction funds are proposed to be delayed without affecting the completion of the overall project. Commissioner Beckner inquired as to whether or not the project was limited by the language of the ballot. Mr. Hicks replied that a limitation did exist as to the language of the ballot, but not to the language of the publicity pamphlet. Commissioner Beckner expressed concern regarding the original recommendation to City Council by the subcommittee studying this ballot question that the funds

would be used for the entire length of Scottsdale Road beautification, landscaping and improving the character of the roadway. Discussion ensued.

Mr. Klingler clarified that there was nothing in the ballot language that precluded the City from using the dollars on the entire length of Scottsdale Road. Mr. Clifford added that the dollars could be used for any purpose that would enhance the scenic corridor or preservation of the area. Mr. Hicks stipulated that buildings were excluded, but any efforts related to lighting, landscaping, reconfiguring the surface, etc., were within the purview of the ballot language.

**Commissioner Beckner moved that the Bond Commission recommends to City Council approval of modification of Question 3, as part of the 2003/2004-budget adoption, and that the Bond Commission recommends that the Council affirm that the funds for this question may be used for the entire length of Scottsdale Road within the Scottsdale City limits. Commissioner West seconded the motion. The motion passed unanimously.**

Commissioner Tannenbaum inquired as to the disparity between the ballot language and the verbiage in the publicity pamphlet. Mr. Clifford acknowledged the problem and stated that the publicity pamphlets would be monitored more closely in the future. Mr. Hicks stressed the importance of flexibility in the actual ballot language to allow City Council to respond to changing circumstances.

4. Review Proposed Timing Modifications Related To Question 5 Public Safety Facilities Bonds. Mr. Clifford stated that the District One Patrol Station and the Police/Fire Training Facility were being proposed to be delayed until the master plan is finalized. He referred again to the impact of the operating costs involved. Mr. Clifford noted that the other item is the Police Operational Support Building and that this is seen as a high priority item, with design scheduled for 2003/04 and construction the following year. He stated that construction funding would not be needed until the following year.

Commissioner Magoon questioned the impact of delaying the District One Patrol Station on actual police presence in that area. Chief Rodbell replied that the delay would only affect the

amount of space in the facility and had no relevance to the number of police officers. He added that he was considering a study to determine if the area is adequately staffed and the beats properly designed.

**Vice Chairman Britt moved to recommend to City Council to approve including these modifications of projects in the 2003/2004-budget adoption. The motion was seconded by Commissioner Lanin and passed unanimously by a vote of 12-0.**

5. Review Proposed Timing Modifications/Decreases And Increases In Funding/Scope Modifications/Combining Of Projects Related To Question 7 Transportation Improvement Bonds. Mr. Clifford commented on the changes with regard to funding sources, and emphasized the benefit to Financial Services of a single funding source per project.

Mr. Clifford went on to explain that 2<sup>nd</sup> Street Streetscape and the Scottsdale Road Streetscape had been combined to provide better flexibility to address downtown streetscape enhancement. He remarked that downtown is a Council priority. Mr. Clifford stated that he had grouped several of the transit related projects: bus bay improvements, Loop 101 Park and Ride Lots, Mustang Transit Center for delayed funding. He indicated that deletion of the McDowell Mountain Ranch Telecommuting Center had been proposed due to the increased use of personal computers and Internet connections into the home.

Mr. Clifford referred to the Cactus Rd Freeway to Frank Lloyd Wright, and Hayden Rd Deer Valley to Pinnacle Peak, and noted that they were anticipating a delay in order to accomplish better alignment with other projects. Camelback Rd – 64<sup>th</sup> to 68<sup>th</sup> St., and Hayden Rd – Cactus to Redfield is proposed to be funded with the .2% Transportation Sales Tax.

In reply to a question by Commissioner Samuel, Mr. Gawf explained the Stacked 40s Project. Commissioner Welch commented on the project from 96<sup>th</sup> Street – Hayden Rd to Sweetwater, and expressed concern as to the folly of the project. Mr. Little explained that the function of the Transportation Department is not just to move vehicles, but also to protect the quality and character of neighborhoods, and in

some cases to downsize the roads based on population projections.

**Vice Chair Britt moved to recommend to City Council to approve including these modifications of projects in the 2003/2004-budget adoption. The motion was seconded by Commissioner West and passed unanimously by a vote of 11-0, with Commissioner Welch abstaining from the vote.**

Mr. Clifford advised the Commissioners that Question 6, relating to the Helicopter Air Support Unit had been recommended for delay until such time as the economic impact of the increased operating costs could be covered.

Mr. Clifford thanked the Commission for convening the special meeting thus allowing staff the necessary timing to bring forward the Bond Program as well as the CIP to the Budget Committee and then to City Council later in the month. There was discussion as to whether or not the April meeting would be held. It was decided to schedule the meeting for the present, but Mr. Klingler stated that, should any changes be made, the Commissioners would be notified in ample time.

#### **OPEN CALL TO THE PUBLIC**

No public comments were forthcoming.

#### **PRESIDING OFFICER'S SUMMARY OF CURRENT EVENTS**

Chair Sagart stated that he had no report at this time.

#### **ADJOURNMENT**

With no further business to come before the Commission, being duly moved and seconded, the special meeting of the Citizens Bond Review Commission was adjourned at 6:45 p.m.

Respectfully submitted,

"For the Record" Reporters